UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/774,147	01/30/2001	James Martin Billings	SSL-001	1218

7590 03/25/2005	EXAMINER
James A. Barry, Jr. 105 Glenwey Point Lebaron,, TN 37087	SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 03/25/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *30 January 2001*.

2a)☐ This action is **FINAL**.　　　2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-8* is/are pending in the application.

　　4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-8* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *30 January 2001* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

　　Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

　　Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

　　a)☐ All　b)☐ Some * c)☐ None of:

　　　1.☐ Certified copies of the priority documents have been received.

　　　2.☐ Certified copies of the priority documents have been received in Application No. _____.

　　　3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

　　* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date *1/30/01, 7/10/01*.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____ .

1.   Original claims 1-8 have been examined. The rejections are stated below.

Claim Rejections - 35 USC § 112

2.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

3.   Claims 4-8 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for

failing to particularly point out and distinctly claim the subject matter which applicant regards as

the invention. In claim 4 the phrase "is capable of" is vague and ambiguous. Similarly in claim 5

the phrase "being operative for" is vague and ambiguous. Corrections are required. In claims 5-8

it is not clear if the term "system" refers to a "method" or an "apparatus". Clarification is

required.

Claim Rejections - 35 USC § 103

4.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

5.   Claims 1 and 3-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kane

(US Patent 6,317,728 B1) in view of Gutterman et al (US Patent 5,297,031).

With reference to claims 1, 4 and 5, Kane teaches a method and system for providing

downside protection of stock market investments for managing an investment portfolio by an

automated data processing system having a memory with an input device connected with the

automated data processing system, the method comprising the steps of entering a name of a

security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the name of the security in the memory (See Kane Column 1 lines 4-14); entering a buy price of the security into the automated data processing system through the input device (See Kane Column 1 lines 4-14); storing the buy price of the security in the memory as the high value (See Kane Column 1 lines 4-14); linking the automated data processing system by a data link to current stock information (See Kane Column 2 lines 31-34); reading a market price of the security from the current stock information (See Kane Column 2 lines 31-34); comparing the market price of the security to the high value (See Kane Column 2 lines 31-34); comparing the sell threshold price to the market price, and executing a sell event when the market price is below the sell threshold price (See Kane Column 2 lines 31-34) and repeating the linking steps until the sell event occurs (See Kane Column 2 lines 46-50). A computer-readable medium having imprinted therein a computer program containing instruction steps such that upon installation of the computer program in a general-purpose computer for performing the method above is inherent in the disclosure of Kane.

Kane does not explicitly teach a trailing stop loss order processing which includes the steps of entering a stop loss percentage for the security into the automated data processing system through the input device, storing the stop loss percentage for the security in the memory, when the market price of the security exceeds the high value, setting the high value equal to the market price of the security to generate a new high value, storing the new high value for the security in memory as the high value, multiplying the stop loss percentage by the high value and subtracting the resulting product from the high value to generate a sell threshold price, and

repeating the steps of setting new high value through generating a sell threshold price till the sell

event occurs.

Gutterman teaches a trailing stop loss order which includes the steps of entering a stop

loss percentage for the security into the automated data processing system through the input

device, storing the stop loss percentage for the security in the memory, when the market price of

the security exceeds the high value, setting the high value equal to the market price of the

security to generate a new high value, storing the new high value for the security in memory as

the high value, multiplying the stop loss percentage by the high value and subtracting the

resulting product from the high value to generate a sell threshold price, and repeating the steps of

setting new high value through generating a sell threshold price till the sell event occurs (See

Gutterman Column 4 lines 1-5).

Both Kane and Gutterman are concerned with managing trading of securities for

customers. It would have been obvious to one with ordinary skill in the art at the time of the

current invention to include the teaching of Gutterman to the invention of Kane. The

combination of the disclosures taken as a whole suggests that customers would have benefited

from being able to gain as much as possible from a major move upward move while making

certain that they can probably lose back only a little of the gain.

With reference to claim 3, Kane teaches the step wherein the sell event further includes

printing a summary of the sell information (See Kane Column 2 lines 46-50).

With reference to claims 6 and 7, Kane teaches the means for automatically selling the

security when the sell event occurs (See Kane Column 2 lines 46-50) and a data link connected

to provide current stock information for entering the current market price (See Kane Column 1

lines 4-24 and Column 2 lines 30-50)

6.   Claims 2 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kane (US

Patent 6,317,728 B1) in view of Gutterman et al (US Patent 5,297,031) and further in view of

Reference U.

Kane and Gutterman teach a method and system of claims 1 and 5 as discussed above

including the steps of entering a maximum stop loss amount into the automated data processing

system through the input device, the maximum stop loss amount representing a maximum

amount for the security to decrease from the high value at which point the security should be

sold and storing the maximum stop loss amount in the memory (See Kane Column 2 lines 30-50

and Gutterman Column 4 lines 1-5).

Kane and Gutterman do not explicitly teach the step of comparing the stop loss

percentage multiplied by the high value to the maximum stop loss amount, and when the stop

loss percentage multiplied by the high value exceeds the maximum stop loss amount, the

maximum stop loss amount is used to generate the sell threshold price.

Reference U teaches the step of setting a limit on the maximum possible loss without

setting a limit on the maximum possible gain for an investor (See Reference U). This step is

interpreted to include the step of comparing the stop loss percentage multiplied by the high value

to the maximum stop loss amount, and when the stop loss percentage multiplied by the high

value exceeds the maximum stop loss amount, the maximum stop loss amount is used to generate

the sell threshold price.

Kane, Gutterman and Reference U are concerned with managing trading of securities for

customers. It would have been obvious to one with ordinary skill in the art at the time of the

current invention to include the disclosures of Reference U and Gutterman to the invention of

Kane. The combination of the disclosures taken as a whole suggests that customers would have

benefited from being able to gain as much as possible from a major move upward move while

making certain that they can probably lose back only a little of the gain.

Conclusion

7.   The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure.

(a) OptionsXpress "How to Place Trailing Stop Orders", Copyright 2000-5, Pages 1-4

(b) Ken Little "Stocks: Using Trailing Stops to Protect Profits" Pages 1-3

© Glynn et al "Trading Securities Using Trailing Stops" Management Science, Volume
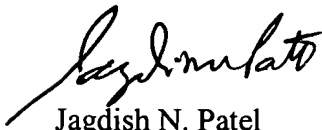
41 No. 6 (June 1995) Pages 1096-1106

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is

(703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to

7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or

Official faxes and Draft to the Patent Office is (703) 872-9306.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

N. Subramanian
March 16, 2005

Jagdish N. Patel
Primary Examiner